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By: **Delegate Morhaim**

Introduced and read first time: February 4, 2000

Assigned to: Environmental Matters and Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program - State Employee and Retiree Health**  
3 **and Welfare Benefits Program - Nonprofit Health Maintenance**  
4 **Organizations Required**

5 FOR the purpose of requiring certain managed care organizations that participate in  
6 the Maryland Medical Assistance Program to be nonprofit health maintenance  
7 organizations to the extent allowed by federal law or waiver; requiring any  
8 health maintenance organization that provides health insurance benefits under  
9 the State Employee and Retiree Health and Welfare Benefits Program to be a  
10 nonprofit health maintenance organization; and generally relating to requiring  
11 health maintenance organizations that participate in the Maryland Medical  
12 Assistance Program or the State Employee and Retiree Health and Welfare  
13 Benefits Program to be nonprofit health maintenance organizations.

14 BY adding to  
15 Article - Health - General  
16 Section 15-102.6  
17 Annotated Code of Maryland  
18 (1994 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - State Personnel and Pensions  
21 Section 2-503(b)  
22 Annotated Code of Maryland  
23 (1997 Replacement Volume and 1999 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That the Laws of Maryland read as follows:

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**Article - Health - General**

2 15-102.6.

3 (A) THIS SECTION APPLIES TO A MANAGED CARE ORGANIZATION  
4 PARTICIPATING IN THE PROGRAM ESTABLISHED BY THE SECRETARY UNDER §  
5 15-103(B) (1) OF THIS SUBTITLE UNDER WHICH PROGRAM RECIPIENTS ARE REQUIRED  
6 TO ENROLL IN MANAGED CARE ORGANIZATIONS.

7 (B) EACH MANAGED CARE ORGANIZATION DESCRIBED IN SUBSECTION (A) OF  
8 THIS SECTION THAT IS A HEALTH MAINTENANCE ORGANIZATION SHALL BE A  
9 NONPROFIT HEALTH MAINTENANCE ORGANIZATION TO THE EXTENT ALLOWED BY  
10 FEDERAL LAW OR WAIVER.

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**Article - State Personnel and Pensions**

12 2-503.

13 (b) (1)[The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE Secretary  
14 may arrange as the Secretary considers appropriate any benefit option for inclusion  
15 in the Program.

16 (2) ANY HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES  
17 HEALTH INSURANCE BENEFITS UNDER THE PROGRAM SHALL BE A NONPROFIT  
18 HEALTH MAINTENANCE ORGANIZATION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2000.